

# Service contracts pay in long run

The decision to pay for hardware service contracts or ongoing support for your software is a judgment call and a gamble.

Like buying insurance, you must speculate on the expenses of future equipment repairs, technical support and the cost of disrupted business.

Here's what to consider regarding hardware:

■ Warranties and initial service. When you shop around for the best deal, don't assume that every vendor's warranties and initial service are identical to all others. They're not. Get everything in writing and note specifics of duration, parts, labor, on-site repair visits and use of loaners.

If you buy from a vendor that doesn't have in-house authorized technicians, simple repairs could mean long periods without your computer.

■ Service contracts. Also called maintenance contracts, these agreements come in many flavors. Their cost is usually based on a

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**Hillel Segal**

percentage of the sales price of new equipment or the market value of used machinery.

A "carry-in" contract, where you transport the equipment to the repair shop, is the cheapest.

An "on-site" policy, with guaranteed replacements if your equipment has to be repaired in a shop, is the most expensive.

If, like me, you've ever had to box up a laser printer and send it to another time zone for repairs, you'll only buy products that are serviceable locally.

As it turns out, most businesses don't consider service contracts for their computer gear until they've been burned. Then, in hindsight, the few hundred dollars a year cost for maintenance and re-

pairs looks like a bargain.

When dealing with hardware problems, only some of your support will be received by telephone. With software, however, virtually all of your support will be by phone.

One software company, WordPerfect Corp., has set the standard for the industry with its exceptional telephone service. The company claims to have a support staff of 435 people who field an average of 9,500 to 10,000 toll-free calls a day. All incoming calls are routed to support specialists based on users' problems, and they're handled immediately. Tough questions that require simulation or testing are handled by computer engineers who call back when the answer is ready, usually the same day.

At the other extreme, there are some software companies that charge for telephone support either indirectly, by not offering a toll-free number, or directly, by charging fees for access to technical support. For some complicated

and specialized software, this is quite acceptable, just as long as you are aware of a company's policies ahead of time.

A prudent procedure is to call the software company's technical support line prior to buying the software, just to see how easy it is to get through. If you can't even reach a service representative, you've already learned an awful lot about the company and about the level of service you can expect.

■ **The Bottom Line:** Hardware maintenance and software support don't have to be a gamble. The safe approach — which is the least-expensive in the long run — is to purchase a service contract for hardware from a reputable local company and to only invest in software that has top-notch telephone support.

Hillel Segal's weekly column evaluates gadgets, small-computer hardware and software, seminars, and books designed to enhance business productivity.